

## **UTILITY ADVISORY BOARD**

Thursday, February 16, 2012

8:00 a.m.

**City of Grand Rapids, Wastewater Treatment Plant (Auditorium)  
1300 Market Avenue SW**

### **AGENDA**

1. Approval of Minutes – January 19, 2012 (attached)
2. Public Comment on Agenda Items
3. Report from Moody's (attached)
4. Incentives to Increase Billed Flow Update
5. Customer Information System Update
6. Contract Awards
  - 2011 Annual Report for Water and Sewer (attached)
  - January 2012 Reports for Water and Sewer (attached)
7. Items from Members
8. Next Meeting – Thursday, March 15, 2012, Where?
9. Adjournment

## **Utility Advisory Board January 19, 2012**

### **1. Call to Order**

The meeting was called to order by Chair Eric DeLong at 8:00 a.m., at Walker City Hall, DPW Conference Room.

### **2. Attendance**

#### Members Attending

Bill Cousins  
Eric DeLong  
Steve Kepley  
Kathie Kuzawa  
Pam Ritsema  
Ed Robinette  
Scott Saindon  
Chuck Schroeder  
Joellen Thompson  
Cathy VanderMeulen  
Toby VanEss  
Linda Wagenmaker (alternate)  
Josh Westgate

#### Others Attending

Haris Alibasic  
John Allen

#### Members Absent

Scott Buhner  
Mark De Clercq  
Brian Donovan  
George Haga  
Wayne Jernberg  
Mike Lunn  
Ron Woods

Josh Westgate, the new Supervisor in Wright Township, was introduced to the membership and will now be the representative on the UAB from Wright.

### **3. Minutes**

**Motion – 12-01:** Ed Robinette, supported by Bill Cousins, moved to approve the minutes of the December 15, 2011, meeting of the Utility Advisory Board as presented. Motion carried.

### **4. Public Comment**

There was no public comment.

### **5. Sustainable Energy Option Recommendations**

Joellen Thompson distributed Water Department recommendations and reviewed them. She reported that staff evaluated four projects and narrowed it down to a retrofit lighting project. Payback would be 9.7 years. The total cost to retrofit 165 fixtures is estimated to be \$19,305. This cost includes staff time to complete the project. With rebates we may be able to receive, the payback could be lowered to about 8.9 years.

Cathy VanderMeulen asked how much money there was for this purpose. Mr. Alibasic indicated that the total is \$50,000 which could be split to provide \$25,000 for Water and \$25,000 for Sewer.

Steve Kepley noted that you may need to use licensed electricians and pull the appropriate licenses, etc. John Allen indicated that we have certified electricians on staff who are aware of what licenses/permits they will need to have.

**Motion 12-02:** Cathy VanderMeulen, supported by Toby VanEss, moved to approve the recommendation for the use of funds for a retrofit lighting project at the Lake Michigan Filtration Plant as presented at this meeting. Motion carried.

Chuck Schroeder then distributed additional information and reviewed the Sewer recommendation. They also are proposing to do a lighting retrofit project. There are some lights in these areas that need to be explosion proof, and they believe using LED's for these will be more cost effective. Payback for these 28 fixtures would be about 3.1 years. These also would be installed by our own licensed electricians. There are also 69 fixtures at MARB with a payback of 11.5 years. They are also proposing to do the Grit Blower and North Secondary Rebates which is a heat reuse project. Total estimated cost for all three proposed projects is \$49,331. Energy cost savings on an annual basis is estimated to be \$2,600 for MARB and \$3,140 for the Pretreatment Building. They also will be submitting applications for rebates that are not included in these cost estimates.

Haris Alibasic noted that payback may seem high, but it is actually low when you take into account the fact that the cost of electricity continues to rise.

**Motion 12-03:** Bill Cousins, supported by Cathy VanderMeulen, moved to approve the recommendation for the use of funds for retrofit lighting projects at the Pretreatment Building and at MARB and for submission of rebate applications for the Grit Blower and North Secondary Project rebates as presented at this meeting. Motion carried.

**6. Quarterly Financial Reports for 2<sup>nd</sup> Quarter FY 2012**

Scott Saindon distributed financial reports for Water and Sewer and reviewed them. He noted that we are looking at about a \$1.3 million decline in revenue in Water. There is a \$260,000 decrease in fees due to suspension of fees during the start-up of the new CIS.

Eric DeLong noted that this is a comparison of actual if you compared to budget it might look slightly better because we anticipated some of these things.

Mr. Saindon noted that billed volume was up about 6.7% for sewer. Expenditures are up about \$1.9 million due to transfers to fund cash projects. Mr. DeLong noted that we anticipated this funding of cash projects in the FY12 budget.

Bill Cousins asked about 706 Permanent and why it went down. Mr. DeLong noted it may be due to having less employees, but it also may be due to changes in the total cost of compensation. Linda Wagenmaker noted that the changes to total cost of compensation shouldn't have affected this yet, but it may be due to other factors.

#### Statistical Data Graphs

Mr. Saindon referred to the graphs provided in the meeting materials and reviewed them briefly. So far in FY 2012, billed flow is up as compared to FY 2011; but we are still down when we look back at FY 2010.

### **7. ACSET Individual Circuit Breaker Reports and Maps**

Mr. Saindon referred members to the information provided in the meeting packets. He noted that the funds were mostly expended by the end of September so there wasn't much to report in the fourth quarter. Eric DeLong asked if we have less to spend on this program when our penalty fund goes down. Mr. Saindon indicated this is correct, but he doesn't know what the effect would be. Joellen Thompson noted that it was only a short window of time that we stopped fee assignment during the CIS start-up, and we should be back on track now. There were a couple of changes to policy that could affect the amount of penalties. When our funds were gone this year, Salvation Army and DHS provided some funding for this so we might expect they would assist in the future if the penalties are less.

Mr. Saindon noted that the new three-year contract has been approved by the City Commission, and he is routing that for signature. He will then get the first payout to ACSET.

### **8. CIS Update**

Joellen Thompson reported that staff are configuring the cross connection program now. They continue to move toward final acceptance as they work through issues.

Scott Saindon reported that the new CIS was not set up to interface with our old financial system. We are now working to get it interfaced into the new financial system and working through issues there.

Eric DeLong asked about customer acceptance. Members indicated they are not hearing anything from customers so they assume acceptance must be good. Joellen Thompson noted that a customer website is not up yet and that this will be a post-acceptance project. Pam Ritsema noted that customers can now go online, however, to look up what they owe and pay online.

Toby VanEss noted that the new system is working well for them. A resident recently put in a new sewer system, and pulled a permit from the Township. The Township could

tell by looking at the new system that he hadn't pulled the appropriate permit from Grand Rapids.

**9. Contract Awards for 2011**

Copies of the Sewer annual report for 2011 were distributed. It was noted that the Water report needs to be complete yet and will be provided next month.

**10. Correspondence**

Eric DeLong noted that we received a nice note of thanks from Joann Becker for the recognition given at the last meeting. He noted that Josh Westgate, the new Supervisor from Wright Township, may want to come over some time to meet the Water billing staff. Joellen Thompson will work with him to set up a time.

**11. Items from Members**

Water Conservation / Increased Billed Flow

Eric DeLong noted we have an issue with billed flow. The more conservation we do, the lower our billed flow and the higher our rates go. We want to be good stewards of our resource, but it wouldn't hurt us to sell more water. We don't want to sell more water per customer but we could have more customers. For instance, we could add more business customers that use large amounts of water. This may cost some money. Possibly we could talk to the Right Place to see what they think about this. A business could locate in any of the partner communities to help the amount of billed flow.

Toby VanEss asked if the suggestion is to give industrial water users some sort of incentives. Mr. DeLong indicated that we would need to discuss this more. We couldn't give them a savings on their water rates because the regulatory agencies wouldn't approve of this. We would have to use all of the regular types of economic development incentives. The first step is finding the companies that use large amounts of water and then working on incentives.

Steve Kepley suggested that you might change the rate structure to concentrate on the bigger users. Mr. DeLong noted that he's not sure how this could work with our rate structure but it's something to consider.

Cathy VanderMeulen said she would like to hear from Right Place, Inc., if they feel it would be beneficial so we can determine more what our risk may be. Ed Robinette noted that since we already participate with Right Place, Inc., maybe there wouldn't be additional cost. Mr. DeLong noted that they would probably need to bring in other experts on this type of thing to do this which would have a cost.

Bill Cousins asked if Right Place, Inc., isn't already doing this. Mr. DeLong said he's not sure if they are, but if they are he hasn't seen any real results. We do have some such companies that have chosen to locate here, and he would like to increase that. We have all the raw resources that these types of companies need.

Steve Kepley suggested it may be good to look at companies that were doing one thing and now have changed over to the food business. Others should look into other companies that may have done this because this information may help Right Place, Inc. Another good strategy is to fill vacant facilities.

UAB members agreed that Mr. DeLong should approach Right Place, Inc., and see what they think. Mr. DeLong will follow up with Right Place, Inc., and report back at the next meeting.

**12. Next Meeting**

The next Meeting will be held on Thursday, February 16, at the Grand Rapids Wastewater Treatment Plant, 1300 Market Avenue SW.



**Rating Update: MOODY'S DOWNGRADES TO Aa2 FROM Aa1 THE  
RATING ON GRAND RAPIDS' (MI) \$130.8 MILLION IN WATER REVENUE  
DEBT**

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Global Credit Research - 02 Feb 2012

**OUTLOOK REVISED TO STABLE FROM NEGATIVE**

GRAND RAPIDS (CITY OF) MI  
Water Enterprise  
MI

**Opinion**

NEW YORK, February 02, 2012 --Moody's Investors Service has downgraded to Aa2 from Aa1 the rating on Grand Rapids' (MI) \$130.8 million in water revenue debt. The outlook has been revised to stable from negative.

**SUMMARY RATINGS RATIONALE**

The bonds are secured by a first lien on water system net revenues. The downgrade to the Aa2 rating reflects a multi-year drop in the system's debt service coverage ratios from historic levels; challenges facing the service area, including a declining labor force and below average socioeconomic indices; and declining usage of the system. The rating additionally incorporates the system's strong management with unlimited rate-setting authority; long-term contracts with both retail and wholesale communities; and solid cash reserve levels. The stable outlook reflects our expectation that, while debt service coverage ratios have declined, they will remain stable due to the city's extensive annual rate setting process and willingness to raise rates to remain above the rate covenant.

**STRENGTHS**

- Large service area covering nine communities in Grand Rapids (general obligation limited tax rated Aa2/stable outlook) metropolitan area
- Independent rate-setting authority coupled with annual review of rates
- Long-term contracts with retail and wholesale communities, effectively requiring 25 years notice of termination
- Solid cash reserve levels with unrestricted cash at 79.3% of O&M in fiscal 2011

**CHALLENGES**

- Decline in debt service coverage ratios over last decade to current level slightly above rate covenant
- Below rate covenant in fiscal 2009 at 1.14 times debt service coverage due to rates that were insufficient to meet declines in usage
- Downward trend of usage and net revenues
- Below average socioeconomic indices

## DETAILED CREDIT DISCUSSION

### REGIONAL SYSTEM PROVIDES SERVICE TO DIVERSE CUSTOMER BASE

Located in western Michigan (Aa2/stable outlook), the system provides water to a service population of approximately 280,000 covering 137 square miles. The system primarily serves the City of Grand Rapids in Kent County (GO rated Aaa) and also has retail or wholesale agreements with eight other municipal customers, including Ottawa County (GO rated Aaa). Customers in the City of Grand Rapids comprised approximately 60% of the system revenues in 2011, with customers in the City of Walker (GOLT rated Aa2/negative outlook) comprising 7.7% and customers in the City of Kentwood comprising 10.7%. The system has 30 year service agreements with each of its municipal customers. Every five years, the municipal customers need to renew the 30 year agreements, effectively resulting in a 25 year termination notification. The long-term nature of the agreements provide for a measure of revenue and service stability. Of commercial customers, the top ten customers comprised a modest 4.5% of sales revenues in fiscal 2011, evidencing a diverse customer base. The city receives its water from Lake Michigan, approximately 30 miles away, and the system includes two intakes and pumping stations from Lake Michigan. The Lake Michigan filtration plant was constructed in 1963 and had major improvements in 1989. The plant has a total capacity of 135 million gallons per day and maximum daily usage ranges between 68 and 100 million gallons per day, providing ample capacity if needed.

Several centers of higher learning, as well as numerous health care providers, round out a local economy that is still somewhat influenced by the business cycles of durable goods manufacturing. The city's Medical Mile includes several major health facilities and continues to experience strong growth, leading to diversification of the city's employment base away from manufacturing and toward health care. Spectrum Health (revenue debt rated Aa3/stable outlook) is the city's top employer with 16,600 employees in 2011 and the top commercial water customer at a modest 0.97% of 2011 billings. While the economy has continued to diversify, furniture and automotive manufacturing sectors remain significant employers throughout the region. Steelcase (senior unsecured debt rated Ba1 with stable outlook) has continued its restructuring efforts in recent years, employing 3,200 employees in 2011 compared to a reported high of 10,500 employees about a decade ago. The area employment loss in recent years is reflected in Grand Rapids' 2010 census population figures, where the city experienced a 4.9% population decline between 2000 and 2010, after increases in each census since 1980. Notably, despite the loss to Grand Rapids' population, in the aggregate, the population of the communities that are part of the water system was essentially flat between 2000 and 2010. The Grand Rapids labor force has contracted by 15% over the same time period per the U.S. Bureau of Labor Statistics. Usage of the system has also declined at an average annual rate of 5% since 2008. Income indices remain significantly below state and national medians, with per capita income and median household income averaging 79% of the state from 2005 to 2010, somewhat reflective of the college presence.

### STABLE CASH POSITION; DEBT SERVICE COVERAGE LEVELS HAVE NARROWED IN RECENT YEARS

We expect the system's financial operations will continue to remain stable given strong management oversight, long-term customer contracts, and timely rate increases. Debt service coverage is expected to remain adequate at levels close to or slightly above the 1.2 times rate covenant over the near to medium term. The water enterprise has continued to experience a downward trend in debt service coverage levels over the last decade, with coverage levels between 1.4 times and 1.6 times debt service in the earlier half of the last decade, dropping to around 1.3 times between 2004 and 2008. In fiscal 2009, coverage fell to 1.14 times, notably below the system's rate covenant. Officials attribute this to a 9.5% decline in usage between 2008 and 2009 due to the economic downturn, increased water conservation efforts and weather conditions. In response, the city enacted a 9.89% rate increase effective January 1, 2010. As a result, fiscal 2010 ended with 1.25 times debt service coverage. Usage continued to decline further in 2010 and 2011. However, due to a change in the rate-setting methodology, the city decreased the rate by 6.27% effective January 1, 2011 and was able to reach 1.24 times debt service coverage for fiscal 2011.



through reducing expenditures. Rates were increased 5.15% effective January 1, 2012. For fiscal 2012, the city expects debt service coverage of at least 1.22 times on a cash basis. The fiscal 2012 budget includes a projection of 1% decline in water sales revenues. Going forward, officials project coverage levels could increase up to approximately 1.3 to 1.34 times. We expect, however, that should usage continue to experience declines, it is likely that coverage levels will remain between 1.2 and 1.3 times.

Management attributes the decline in debt service coverage over the last decade to a reduction in cash-funded capital projects. The city had been in the midst of a combined sewer separation project over the last ten years and was replacing water mains in conjunction with the project. This led to a need for additional cash to finance the projects and, consequently, higher debt service coverage levels. Since the water main project was completed, the city has invested less in capital projects as evidenced by the water enterprise's net fixed assets, which have been increasing at a more modest rate in recent years and remained relatively flat from fiscal 2010 to fiscal 2011. Debt service coverage ratios have also remained lower than historic levels because city officials have not wanted to raise rates as high as would be required to reach higher debt service coverage levels due to economic challenges facing residents. While debt service coverage ratios have declined compared to historic levels, we expect they will remain above the water utility's rate covenant given the city's formal rate setting process. Rates are established annually through an extensive study and application of the city's rate methodology, reviewed by the Utility Advisory Board, which is comprised of city representatives as well as the other customer communities, and approved by the City Commission. Rate changes are enacted on January 1st of each year, which is halfway through the city's fiscal year, providing for rate adjustments to take into account operations during the first half of the year.

The system's unrestricted cash position increased in fiscal 2011 after moderate declines in fiscal years 2007 through 2010. Unrestricted cash at the end of fiscal 2011 was \$20.1 million, or a strong 79.3% of O&M. Net working capital is primarily comprised of cash and stood at \$26.8 million, or 105.7% of O&M at the end of fiscal 2011. The utility is a closed loop system, so any cash generated remains within the system and is not available to share with the general city operations, though the utility does transfer between \$700,000 and \$1.2 million per year to the city's General Fund for cost allocation. Positively, the utility's solid cash position mitigates the lower debt service coverage levels, providing a strong cushion in the case of unexpected budgetary variances.

#### AVERAGE DEBT RATIO WITH MINIMAL FUTURE CAPITAL NEEDS

The system is moderately leveraged, with a debt ratio at approximately 39.8% in fiscal 2011. We expect that the system's debt burden will remain manageable as the system has modest additional borrowing plans. Debt amortization is average, with approximately 65% of principal retired in ten years. The city currently expects to invest approximately \$13 million in cash-funded improvements through fiscal 2016. The system is approved to borrow approximately \$2.5 million from the state revolving loan fund for capital improvements, though had not yet borrowed from the fund as of the close of fiscal 2011. This borrowing would be junior to the rated senior lien revenue debt and a portion of the funds would be eligible for principal forgiveness. The city's Series 1993 bonds were previously variable rate and were converted to fixed rate in 2008. All of the system's debt is currently fixed rate, and the city has no derivative or swap agreements.

#### SOUND LEGAL COVENANTS; PLEDGED REVENUES INCLUDE TRANSFERS FROM SEWER FUND

The pledged revenues include annual transfers from the sewer fund for cost allocations. Customer service employees at the water facility provide services to both water and sewer customers, though the cost of these employees is expensed in the water fund. The sewer fund pays the water fund monthly to cover these costs, with the amount based on the number of meters that the water and sewer enterprises each have. Typically, the water fund receives approximately \$2 million per year from the sewer fund. This transfer is legally pledged for debt service and included in the calculation of debt service coverage. The legal covenants include a rate covenant and additional bonds test at 1.2 times of annual debt service. The

debt service reserve requirement, which is the lesser of maximum annual interest payment, determined as of the date of issuance each of series, or maximum annual debt service, is somewhat weaker yet still satisfactory.

#### Outlook

The rating outlook for the City of Grand Rapids' water system is stable, as we expect the system's debt service coverage to remain stable at or above its rate covenant and liquidity to be maintained due to planned rate increases that should offset ongoing volume declines.

What could change the rating UP or change outlook to positive:

- Long term stabilization of water usage trends
- Sustained improvement in debt service coverage
- Improved socioeconomic indices and employment trends

What could change the rating DOWN or change outlook to negative:

- Continued declines in volume trends that materially impact operating revenues
- Failure to implement future rate increases needed to maintain satisfactory debt service coverage
- Increase in capital needs that substantially leverages the system and/or reduces liquidity

#### KEY STATISTICS:

System: Water supply and distribution (closed loop)

Service Population: 280,000 (approximate)

Grand Rapids Population (2010): 188,040 (4.9% decrease since 2000)

Fiscal 2011 Net working capital: \$26.8 million (105.7% of O&M)

Fiscal 2011 Unrestricted cash and investments: \$20.1 million (79.3% of O&M)

FY2011 Operating ratio: 60.9%

FY2011 Debt service coverage (senior lien): 1.24x

FY2011 Debt ratio: 39.8%

Rate covenant: 1.2x

Additional bonds test: 1.2x

Senior lien revenue debt outstanding: \$130.8 million

#### PRINCIPAL METHODOLOGY USED

The principal methodology used in this rating was Analytical Framework For Water And Sewer System Ratings published in August 1999. Please see the Credit Policy page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

#### REGULATORY DISCLOSURES

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# Sewer YTD 2011 UAB Report

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Sewer Fund NTE Authorized Amount	Est. Year for Rates	Integrated? Non-Integrated?	Brief Description	On Target w. Budget	On Target w. Schedule	Comments
Year 2011											
Water Main Replacement in VAN AUKEN STREET from Fuller Avenue to Kalamazoo Avenue	Nagel Construction, Inc.	02/08/11	06/10/11	06/24/11	\$ 2,500	2012	Non-Int GR	Construction Complete	Yes	Completed	
Reconstruction of Lafayette Avenue from Wealthy St to State St	Diversco Construction Co., Inc.	02/15/11	08/01/11	06/08/12	\$ 308,300	2012	Non-Int GR	Construction Complete	Yes	Completed	
Eastside Sewer Improvements Program Separation Project Contract No. 16 - Reconstruction of DUNHAM STREET from Fuller Ave to Benjamin Ave; BENJAMIN AVENUE from Thomas St to Dunham St; THOMAS STREET from Fuller Ave to Ethel Ave; ETHEL AVENUE from Franklin St to Thomas St; GIDDINGS AVENUE from 370' south of Franklin St to Franklin St; GIDDINGS AVENUE from Franklin St to Dunham St; and BATES STREET from Giddings Ave to Ethel Ave	Georgetown Construction Co.	03/08/11	11/04/11	11/18/11	\$ 2,458,000	2011	Non-Int GR	Construction Complete	Yes	Completed	*
Eastside Sewer Improvements Program Separation Project Contract No. 17 - Reconstruction of MORRIS AVENUE from Pleasant Street to Wealthy Street; LOGAN STREET from Morris Avenue to James Avenue; PARIS AVENUE from Logan Street to Wealthy Street and UNION AVENUE from Logan Street to Wealthy Street	Dykema Excavators, Inc.	03/22/11	10/10/11	04/01/12	\$ 2,680,000	2011	Non-Int GR	Construction Complete	Yes	Completed	*

# Sewer YTD 2011 UAB Report

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Sewer Fund NTE Authorized Amount	Est. Year for Rates	Integrated? Non-Integrated?	Brief Description	On Target w. Budget	On Target w. Schedule	Comments
Reconstruction of COLLEGE AVENUE from Crofton St to Cottage Grove St and Storm Sewer in COTTAGE GROVE STREET from College Ave to Union Ave	Georgetown Construction Co.	05/10/11	7/15/11	7/22/11	\$ 121,000.00	2012	Non-Int GR	Construction Complete	Yes	Yes	Completed
Reconstruction of College St from Fulton St to Fountain St (MDOT)	Nagel Construction Co.	05/24/11	n/a	08/08/11	\$ 43,100.00	2012	Non-Int GR	Construction Complete	Yes	Yes	Completed
Utility Improvements at VARIOUS LOCATIONS - Contract 2009 (Increase in Contract Amount)	Various Contractors*	05/12/09	N/A	05/12/11	\$ 180,000.00	2012	O&M	On-going	Yes	Yes	**
Trench Repairs over Water and Sewer Lines, Curb Repair, Parking Lot Repair, and Traffic Calming at VARIOUS LOCATIONS - Contract No. 2010-1 (Increase in Contract Amount)	Diversco Construction Company, Inc	07/13/10	N/A	06/30/12	\$ 59,000.00	2012	O&M	On-going	Yes	Yes	***
Trench Repairs over Water and Sewer Lines at VARIOUS LOCATIONS - Contract No. 2010-2 (Increase in Contract Amount)	Nagel Construction, Inc	07/13/10	N/A	06/30/12	\$ 58,000.00	2012	O&M	On-going	Yes	Yes	****
CIPP Lining of Storm and Sanitary Sewers at VARIOUS LOCATIONS - Contract 2010 (Increase in Contract Amount)	Inland Waters Pollution Control, Inc.	10/12/10	11/30/10	06/30/11	\$ 600,000.00	2012	Non-Int GR	On-going	Yes	Yes	
Curb Drain Installation in EAST LEONARD HEIGHTS and MARYLAND ESTATES	Bidigare Contractors, Inc.	06/14/11	07/04/12	09/04/12	\$ 3,489,000.00	2013	Non-Int GR	50% Complete	Yes	Yes	



# Sewer YTD 2011 UAB Report

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Sewer Fund NTE Authorized Amount	Est. Year for Rates	Integrated? Non-	Integrated? Description	On Target w. Budget	On Target w. Schedule	Comments
Reconstruction of LEXINGTON AVENUE from Butterworth St to Fulton St and BUTTERWORTH STREET from 150 ft W to 185 ft E of Lexington Ave and Improvement of SEWARD AVENUE from Watson St to Fulton St (U.S. ECONOMIC DEVELOPMENT ADMINISTRATION - U.S. EDA GRANT AWARD NO. 06-01-05495)	Diversco Construction Co. Inc.	06/14/11	10/21/11	11/04/11	\$ 62,000.00	2012	Non-Int GR	Construction Complete	Yes	Yes	Completed
Improvements to the Ventilation Systems for the Screen Room and Replacement of Grit Blowers at the WASTEWATER TREATMENT PLANT	Franklin Holwerda, Co.	06/14/11	03/01/12	04/01/12	\$ 348,000.00	2013	Int	30% Complete	Yes	Yes	
Replacement of Flow Diversion Gates at the MARKET AVENUE PUMP STATION	JWK Construction	06/21/11	03/15/12	05/01/12	\$ 375,000.00	2013	Non-Int GR, WLK, GRT, TALL, WRT	65% Complete	Yes	Yes	Completed
Resurfacing of Monroe Avenue from Goldbrook St to Leonard St (MDOT)	Kamminga & Roodvoets, Inc.	06/21/11	09/10/11	09/15/11	\$ 8,000.00	2012	Non-Int GR	Construction Complete	Yes	Yes	Completed
Reconstruction of Golt Avenue from Kendallwood St. to North Park St (MDOT)	Schippers Excavating, Inc.	06/21/11	09/30/11	09/30/11	\$ 199,000.00	2012	Non-Int GR	Construction Complete	Yes	Yes	Completed
Replacement of LEONARD HEIGHTS SANITARY LIFT STATION and Sanitary Forcemain in REMEMBRANCE ROAD from Van Portfliet Dr (North) to 390' west of Stanwood Rd	Diversco Construction Co., Inc.	07/12/11	01/15/12	05/01/12	\$ 1,400,000	2013	Non-Int Walker	Construction 60% Complete	Yes	Yes	

# Sewer YTD 2011 UAB Report

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Sewer Fund Completion Date	NTE Authorized Amount	Est. Year for Rates	Integrated? Non-Integrated?	Brief Description	On Target w. Budget	On Target w. Schedule	Comments
Improvements in BROADWAY AVENUE ALLEY from Fourth St to Sixth St; CLOVER COURT from Broadway Ave to Broadway Ave; and TURNER AVENUE from 165' South of Sixth St to Sixth St	Wyoming Excavators, Inc.	08/23/11	10/08/11	10/22/11	\$	225,000	2012	Non-Int GR	Construction Complete	Yes	Yes	Completed
Guth Replacement in DARWIN AVENUE from 275 ft south of Kirland St to Stewart St	Diversco Construction Company Inc.	08/23/11	10/16/11	10 days aft resurfacing	\$	20,000	2012	Non-Int GR	Construction Complete	Yes	Yes	Completed
Eastside Sewer Improvement Program Separation Project - Increase for Design Engineering Services in connection with Eastside Combined Sewer Overflow Contract Nos. 26A and 26B	Black & Veatch	10/11/11	N/A	N/A	\$	475,000	N/A	Non-Integrated GR	Design underway	N/A	N/A	*
EASTSIDE SEWER IMPROVEMENTS PROGRAM SEPARATION PROJECT CONTRACT NO 23B Reconstruction of GRAND AVENUE from Fulton St to Fountain St; ATWOOD STREET from Grand Ave to Eastern Ave; EASTERN AVENUE from Fulton St to Atwood St; BATAVIA PLACE from Fulton St to North End; CUSTER PLACE from Fulton St to North End; and VANDINE PLACE from Fulton St to North End	Nagel Construction, Inc.	11/15/11	07/27/12	08/10/12	\$	865,000.00	N/A	Non-Integrated GR	Project Bid & Awarded. Construction to begin in March	N/A	N/A	*

# Sewer YTD 2011 UAB Report

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Sewer Fund NTE Authorized Amount	Est. Year for Rates	Integrated? Non-Integrated?	Brief Description	On Target w. Budget	On Target w. Schedule	Comments
EASTSIDE SEWER IMPROVEMENTS PROGRAM SEPARATION PROJECT CONTRACT NO 23B- Reconstruction of GRAND AVENUE from Fulton St to Fountain St; ATWOOD STREET from Grand Ave to Eastern Ave; EASTERN AVENUE from Fulton St to Atwood St; BATAVIA PLACE from Fulton St to North End; CUSTER PLACE from Fulton St to North End; and VANDINE PLACE from Fulton St to North End (Agreement and Utility Easement)	Nagel Construction, Inc.	11/15/11	07/27/12	08/10/12	\$ 3,500.00	N/A	Non-Integrated GR	Easement is secured	N/A	N/A	*
Improvements to Sanitary Sewer at THREE MILE ROAD and ERICKSON COURT INTERSECTION	Kamminga & Roodvoets, Inc.	12/20/11	5/15/12	6/1/12	\$ 175,600.00	2013	Non-Integrated Walker	Project Bid & Awarded. Construction to begin in Spring	N/A	N/A	

\*All Eastside Sewer Improvement Program Separation Projects (CSO) costs are included in the City of Grand Rapids Rates, only. Projects funded by 2008 bonds are included in 2009 rates.

\*\*\*\*Dykema Excavators, Inc; Georgetown Construction Co; Lodestar Construction, Inc; Ron Meyer & Associates Excavating, Inc.; Wyoming Excavators, Inc. This entry is an increase of \$180,000 from the original award amount of \$180,000, due to a contract extension.

\*\*This entry is an increase of \$59,000 from the original award amount of \$55,000, due to contract extension and price increase of 6%.

\*\*\*This entry is an increase of \$58,000 from the original award amount of \$55,000, due to contract extension and price increase of 6%.

# Water YTD 2011 UAB Report

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Water Fund NTE Authorized Amount	Est. Year for Rates	Integrated? Non-Integrated?	Brief Description	On Target w. Budget	On Target w. Schedule	Comments
Year 2011											
Water Main Replacement in VAN AUKEN STREET from Fuller Avenue to Kalamazoo Avenue	Nagel Construction, Inc.	02/08/11	06/10/11	06/24/11	\$ 565,000	2012	Non-Int GR	Construction Complete	Yes	Yes	Completed
Reconstruction of Lafayette Avenue from Wealthy St to State St	Diversco Construction Co., Inc.	02/15/11	08/01/11	06/08/12	\$ 336,000	2012	Non-Int GR	Construction Complete	Yes	Yes	Completed
Eastside Sewer Improvements Program Separation Project Contract No. 16 - Reconstruction of DUNHAM STREET from Fuller Ave to Benjamin Ave; BENJAMIN AVENUE from Thomas St to Dunham St; THOMAS STREET from Fuller Ave to Ethel Ave; ETHEL AVENUE from Franklin St to Thomas St; GIDDINGS AVENUE from 370' south of Franklin St to Franklin St; GIDDINGS AVENUE from Franklin St to Dunham St; and BATES STREET from Giddings Ave to Ethel Ave	Georgetown Construction Co.	03/08/11	11/04/11	11/18/11	\$ 556,000	2011	Non-Int GR	Construction Complete	Yes	Yes	Completed *
Eastside Sewer Improvements Program Separation Project Contract No. 17 - Reconstruction of MORRIS AVENUE from Pleasant Street to Wealthy Street; LOGAN STREET from Morris Avenue to James Avenue; PARIS AVENUE from Logan Street to Wealthy Street, and UNION AVENUE from Logan Street to Wealthy Street	Dykema Excavators, Inc.	03/22/11	10/10/11	04/01/12	\$ 174,000	2011	Non-Int GR	Construction Complete	Yes	Yes	Completed *

# Water YTD 2011 UAB Report

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Water Fund NTE Authorized Amount	Est. Year for Rates	Integrated? Non-Integrated?	Brief Description	On Target w. Budget	On Target w. Schedule	Comments
Watermain in WILSON AVENUE (M-11) from Burton St to Riverbend Dr and in BURTON STREET from Wilson Ave (M-11) to 700' East; and Improvements to BURTON STREET PUMP STATION (South Walker Water System - Phase 2)	Jack Dykstra Excavators, Inc.	03/08/11	n/a	10/30/11	\$ 1,120,000	2012	Non-Int Walker	Construction Complete	Yes	Completed	
Reconstruction of Plymouth Avenue from Burton St to Boston St (MDOT)	Georgetown Construction Co.	05/10/11	9/16/11	10/5/12	\$ 590,000.00	2012	Non-Int GR	Construction Complete	Yes	Completed	
Reconstruction of COLLEGE AVENUE from Crofton St to Cottage Grove St and Storm Sewer in COTTAGE GROVE STREET from College Ave to Union Ave	Georgetown Construction Co.	05/10/11	7/15/11	7/22/11	\$ 255,000.00	2012	Non-Int GR	Construction Complete	Yes	Completed	
Reconstruction of College St from Fulton St to Fountain St (MDOT)	Nagel Construction Co.	05/24/11	n/a	8/8/11	\$ 219,100.00	2012	Non-Int GR	Construction Complete	Yes	Completed	
Reconstruction of Grandville Avenue from Weston Ave to Oakes St	Wyoming Excavators, Inc.	05/24/11	08/12/11	10/28/11	\$ 410,000.00	2012	Non-Int GR	Construction Complete	Yes	Completed	
Utility Improvements at VARIOUS LOCATIONS - Contract 2009 (Increase in Contract Amount)	Various Contractors**	05/12/09	N/A	04/23/10	\$ 40,000.00	2012	O&M	On-going	Yes	**	
Trench Repairs over Water and Sewer Lines, Gurb Repair, Parking Lot Repair, and Traffic Calming at VARIOUS LOCATIONS - Contract No. 2010-1 (Increase in Contract Amount)	Diversco Construction Company, Inc	07/13/10	N/A	06/30/12	\$ 481,000.00	2012	O&M	On-going	Yes	***	

# Water YTD 2011 UAB Report

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Water Fund NTE Authorized Amount	Est. Year for Rates	Integrated? Non-Integrated?	Brief Description	On Target w. Budget	On Target w. Schedule	Comments
Trench Repairs over Water and Sewer Lines at VARIOUS LOCATIONS -Contract No. 2010-2 (Increase in Contract Amount)	Nagel Construction, Inc.	07/13/10	N/A	06/30/12	\$ 466,000.00	2012	O&M	On-going	Yes	Yes	****
Reconstruction of Madison Avenue from Wealthy St to Cherry St (MDOT)	CL Trucking & Excavating, Inc.	06/14/11	09/20/11	09/20/11	\$ 238,100.00	2012	Non-Int GR	Construction Complete	Yes	Yes	Completed
Reconstruction of LEXINGTON AVENUE from Butterworth St to Fulton St and BUTTERWORTH STREET from 150 ft W to 185 ft E of Lexington Ave and Improvement of SEWARD AVENUE from Watson St to Fulton St U.S. ECONOMIC DEVELOPMENT ADMINISTRATION - U.S. EDA GRANT AWARD NO. 06-01-05495)	Diversco Construction Co. Inc.	06/14/11	10/21/11	11/04/11	\$ 351,000.00	2012	Non-Int GR	Construction Complete	Yes	Yes	Completed
Reconstruction of Colt Avenue from Kendallwood St to North Park St (MDOT)	Schippers Excavating, Inc.	06/21/11	09/30/11	09/30/11	\$ 93,000.00	2012	Non-Int GR	Construction Complete	Yes	Yes	Completed
Construction of PATTERSON ELEVATED STORAGE TANK	CB&I Inc.	07/26/11	07/26/13	09/20/13	\$ 3,241,000.00	2014	Non-Int Kentwood Cascade	Site work underway	Yes	Yes	
Improvements in BROADWAY AVENUE/ALLEY from Fourth St to Sixth St Alley, CLOVER COURT from Broadway Ave Alley to Broadway Ave, and TURNER AVENUE from 165' South of Sixth St to Sixth St	Wyoming Excavators, Inc.	08/23/11	10/08/11	10/22/11	\$ 113,000.00	2012	Non-Int GR	Construction Complete	Yes	Yes	Completed



# Water YTD 2011 UAB Report

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Water Fund Authorized Amount	Est. Year for Rates	Integrated?	Non-Integrated?	Brief Description	On Target w. Budget	On Target w. Schedule	Comments
Water Main Replacement in NORTH PARK STREET from Coit Ave to Eastern Ave and Reconstruction of EASTERN AVENUE from North Park St to 100' north of Hubbard St	Wyoming Excavators, Inc.	08/23/11	10/31/11	05/31/12	\$ 440,000.00	2012	Non-Int GR		Construction Complete	Yes	Yes	Completed
Concrete Restoration at the LAKE MICHIGAN FILTRATION PLANT - PHASE 1A & 6 (Repairs/improvements to the LMFP)	JRJ Construction LLC	10/25/11	04/15/12	04/30/12	\$ 494,560.00	2013	Integrated		Construction is 20% Complete	Yes	Yes	
Installation of Photovoltaic Arrays at the WATER/ENVIRONMENTAL FACILITY	Inovateus Solar LLC	11/15/11	01/06/12	04/30/12	\$ 250,000.00	2013	Integrated		Project Bid & Awarded. Construction to begin in Spring	N/A	N/A	
EASTSIDE SEWER IMPROVEMENTS PROGRAM SEPARATION PROJECT CONTRACT NO 23B. Reconstruction of GRAND AVENUE from Fulton St to Fountain St; ATWOOD STREET from Grand Ave to Eastern Ave; EASTERN AVENUE from Fulton St to Atwood St; BATAVIA PLACE from Fulton St to North End; CUSTER PLACE from Fulton St to North End; and VANDINE PLACE from Fulton St to North End	Nagel Construction, Inc.	11/15/11	07/27/12	08/10/12	\$ 492,000.00	N/A	Non-Integrated GR		Project Bid & Awarded. Construction to begin in March	N/A	N/A	*

# Water YTD 2011 UAB Report

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Water Fund NTE Authorized Amount	Est. Year for Rates	Non-Integrated?	Integrated?	Brief Description	On Target w. Budget	On Target w. Schedule	Comments
EASTSIDE SEWER IMPROVEMENTS PROGRAM SEPARATION PROJECT CONTRACT NO.23B Reconstruction of GRAND AVENUE from Fulton St to Fountain St; ATWOOD STREET from Grand Ave to Eastern Ave; EASTERN AVENUE from Fulton St to Atwood St; BATAVIA PLACE from Fulton St to North End; CUSTER PLACE from Fulton St to North End; and VANDINE PLACE from Fulton St to North End (Agreement and Utility Easement)	Nagel Construction, Inc.	11/15/11	07/27/12	08/10/12	\$ 3,500.00	N/A	Non-Integrated GR		Easement is secured	N/A		*
*All Eastside Sewer Improvement Program Separation Projects (CSO) costs are included in the City of Grand Rapids Rates, only. Projects funded by 2008 bonds are included in 2009 rates.												
**Dykema Excavators, Inc; Georgetown Construction Co; Lodestar Construction, Inc; Ron Meyer & Associates Excavating, Inc.; Wyoming Excavators, Inc. This entry is an increase of \$40,000 from the original award amount of \$40,000, due to a contract extension.												
***This entry is an increase of \$481,000 from the original award amount of \$450,000, due to contract extension and price increase of 6%.												
****This entry is an increase of \$466,000 from the original award amount of \$437,000, due to contract extension and price increase of 6%.												



Water/Sewer UAB Report  
January 2012

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Water Fund Authorized NTE Amt	Sewer Fund Authorized NTE Amt	Est. Year for Rates	Integrated (Y/N)
Authorization of Additional Expenditures in connection with the Disconnection of Private Footing Drains and the Installation of Sump Pumps and Backwater Valves at Various Locations	McDonald Plumbing, Inc., Alternative Mechanical LLC	1/24/2012	N/A	45 days after NTP at each residential address	N/A	\$ 150,000.00	2012 / 2013	Non-Integrated GR